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**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS
801 West Badger Road
Madison, WI 53702**

CORRESPONDENCE MEMORANDUM

DATE: February 21, 2003

TO: Employee Trust Funds Board
Wisconsin Retirement Board
Teachers Retirement Board

FROM: Julie Reneau, Administrator
Retirement Services Division

SUBJECT: Benefit Payments System Development Status Report

Background

The 2001-2003 biennial budget authorized the Department to contract for the development of a new Benefit Payments System. The proposed system will replace the existing annuity payment system, the accumulated sick leave conversion credits system, and the lump sum benefit payment system. It will also automate a number of manual processes including the calculation of lump sum benefits and provide improved service and productivity through Web-enabled self-service functionality in close integration with the WRS membership system. Implementation of the new system is scheduled for April 2004.

You will receive regular reports on the status of the Benefit Payments System project.

Project Status

The project is experiencing a five-week variance from the initial plan. The variance is due to the need to implement Benefit Payments System (BPS) security requirements that are coordinated with the Department of Electronic Government (DEG). The security components of BPS are an integral part of each transaction within BPS and between BPS and our other business systems.

We have agreed with DEG on an interim security solution using IBM/Tivoli Access Manager. The delayed installation of this product has postponed the building, integration and testing of the architecture and security solution. Until the security architecture is 90% complete and tested, development on system applications cannot begin.

A long-term, statewide enterprise security solution for Java-based Internet access will not be selected by DEG until later in 2003. This delay in the decision should not affect our ability to proceed with BPS. Once the production solution has been determined, the project will have to assess the impact of that solution and estimate the effort associated with integrating that solution with BPS. This will result in significant work only if Access Manager does not become the enterprise security solution.

Use Case Development

The BPS team continues to define details of specific business processes also referred to as "use cases." Use cases under review or already completed since the last report include:

- Maintain Health Insurance Contracts
- Maintain Health Insurance Premium Deduction Due to Death
- Set up Accumulated Sick Leave Conversion Credit Account and Certify Sick Leave
- Maintain Accumulated Sick Leave Conversion Credit Account
- Maintain Accumulated Sick Leave Conversion Credit Account Due to Death
- Process Named Survivor Continuation
- Calculate and Pay Death Benefit
- Process Non-Annuitant Death Benefit
- Process Rollovers and Transfers
- Create Accounts Receivable on WISMART
- Generate Special Payments
- Reverse Payments
- Report Tax Information
- Establish Re-employed Annuitant Accounts

Issues

We must carefully monitor delays in the security implementation. Delays will cost the Department additional funds via vendor change orders (budgeted hours have been expended in support of obtaining agreement on an acceptable BPS security solution with DEG) and have caused a five-week delay in the planned implementation.

We must work closely with DEG and monitor the availability and implementation of WebSphere Application Server 5.0 for the mainframe. This is the version of WebSphere that we must install to service our applications. The plan is to test the application on the mainframe Beta version release this spring, with general availability of the final product by mid-2003. Delays here would mean further delays to the project.

Finally, the Governor's biennial budget request removed funding and positions requested by the Department to pay for the production costs to run BPS starting in 2004. Although the intention appears to have been to delete funding for on-line access for annuitants, all funding to run the new system was removed. Staff will work with the budget office in the Department of Administration to attempt to restore some of this funding. Staff is also evaluating the ramifications of the lack of funding for the on-line service and access capacity.